

JIM HAJJAR

To the Representatives from the Attorney General's Office, Department of Public Health, and Holy Family Hospital,

As a the West District City Councilor in Methuen, I am here to voice my overwhelming support of the Cerberus Capital Management acquisition of Caritas Christi Health Care, specifically the acquisition of the Holy Family Hospital in Methuen.

As a Councilor, I am supportive because this acquisition will support not only keeping the hospital a thriving partner in our community, but Cerebus has committed to investing in the hospital which would strengthen the ability of Holy Family to become even stronger supporter of our Methuen community. Specifically, the group has already shared a large renovation of the emergency room which will help provide state of the art medical technology to our residents. The Cerebus group has also shared that they will maintain the current hospital leadership and local board members to assure that our community needs will remain a priority. Having a modern, well-respected hospital in Methuen is a key factor in enhancing the perception of our community as well as supporting higher levels of civic pride.

As the Chairman of the Council Finance Committee, I fully support this transaction for the following reasons:

- The hospital is one of the largest employers in Methuen and job support and creation is key to our local economy
- New tax revenues from the hospital will be utilized to support local schools and services to our residents
- Cerberus has promised to invest in the hospital to help pay off Caritas debt, support renovation projects, assume the Caritas pension liability all which support the long term financial viability of the Holy Family Hospital.

Finally, Cerebus has committed to remain supportive of all members of our community including pledging that they will maintain the current \$67M in annual community benefit spending.

I believe the Holy Family Hospital will continue to provide high quality, lower cost healthcare to all our residents. I feel strongly that private investment in the hospital will be much more beneficial than any sort of public investment (state or federal). In fact, I have read that past similar efforts by for-profit health care companies to enter Massachusetts have concerned state government and health care advocates because they fear that the hospital will ignore the needs of lower income residents. I disagree with this argument and in fact, in Massachusetts the healthcare needs of low income residents has become the role of the state – and under healthcare reform, some of this is transferring

to the Federal government. In terms of State support of providing healthcare to all, in his FY2011 budget presentation, Governor Patrick states the following:

- “The Administration has implemented an innovative, thoughtful legislative vision which has transformed the way that the Commonwealth’s residents access health care and has made Massachusetts a national model for how to expand coverage to virtually all of our residents. Today, over 97 percent of our residents have health insurance.
- “Because of the steps we have taken to make health insurance more affordable and accessible, there are countless people throughout the Commonwealth who have access to *their own* doctor – or life-changing medications or procedures – for the first time.”
- “Whatever the economic and fiscal pressures, we have not backed away from health care reform. Our state cannot afford to do so without jeopardizing the health of its residents.”
- “The Administration’s fiscal year 2011 budget includes \$9.84 billion for the MassHealth program. This is 6.5 percent higher than fiscal year 2010 estimated spending of \$9.237 billion” This is almost 35% of the entire \$28.2B budget proposed by Governor Patrick.
- “Combined funding of \$913 million for Commonwealth Care and the Commonwealth Care Bridge program for Aliens with Special

Status is 5 percent more than what was budgeted in fiscal year 2009”

- The Health Safety Net (HSN) reimburses hospitals and community health centers for health care services provided to low-income uninsured or underinsured residents. Success in expanding enrollment in health insurance through health care reform has resulted in decreased Health Safety Net utilization and payments. As compared to Uncompensated Care Pool fiscal year 2007, Health Safety Net payments sustained a record drop through Health Safety Net fiscal year 2009 (from \$661 million to \$414 million).

So, as you can see, the State of Massachusetts is responsible for assuring healthcare access for our low income and disadvantaged residents. This transaction will in no way impact the partnership of the Holy Family Hospital with the State in providing high quality healthcare to all our residents.

I urge you on behalf of the residents of Methuen to support this initiative.

Respectfully yours,

James M. Hajjar
Methuen West District City Councilor